

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**ATTORNEY FEE APPLICATION COVER SHEET**

IN RE: APPLICANT:  
SHAPES/ARCH HOLDINGS L.L.C., *et al.* Halperin Battaglia Raicht, LLP  
CASE NO.: 08-14631 (GMB) CLIENT: Official Committee of Unsecured Creditors  
CHAPTER: 11 CASES FILED: March 16, 2008

COMPLETION OF THIS FORM CONSTITUTES A CERTIFICATION  
UNDER PENALTY OF PERJURY. RETENTION ORDER ATTACHED.

/s/ Alan D. Halperin 5/14 /08  
ALAN D. HALPERIN Date

**SECTION I  
FEE SUMMARY**

First Monthly Fee Statement Covering the Period  
March 31, 2008 through April 30, 2008

Total Previous Fees and Expenses Requested:	\$0.00
Total Fees and Expenses Allowed to Date:	\$0.00
Total Retainer (if applicable):	N/A
Total Holdback (if applicable):	N/A
Total Received by Applicant:	\$0.00

	Name of Professional and Title	Year Admitted	Hours	Rate	Fee
1.	Alan D. Halperin, Partner	1991	170.00	\$435.00	\$73,950.00
2.	Christopher J. Battaglia, Partner	1997	1.60	\$385.00	\$616.00
3.	Robert D. Raicht, Partner	1987	.40	\$410.00	\$164.00
4.	Walter Benzija, Of Counsel	1996	4.20	\$370.00	\$1554.00
5.	Donna H. Lieberman, Of Counsel	1984	103.70	\$350.00	\$36,295.00
6.	Debra J. Cohen, Associate	1992	50.50	\$335.00	\$16,917.50
7.	Julie D. Dyas, Associate	2003	27.00	\$275.00	\$7,425.00
8.	Ethan D. Ganc, Associate	2001	52.00	\$280.00	\$14,560.00
9.	Carrie E. Mitchell, Associate	2005	20.50	\$225.00	\$4,612.50
10.	Sydia N. Cooper, Paralegal	N/A	1.40	\$80.00	\$112.00
11.	Monique A. Minto-Gonzalez, Paralegal	N/A	.60	\$100.00	\$60.00
12.	Mary M. Charles-Kennedy, Paralegal	N/A	9.60	\$75.00	\$720.00
	TOTALS		441.50		\$156,986.00

FEE TOTALS (Page 3)	\$156,986.00
DISBURSEMENTS TOTALS (Page 4)	\$4,196.71
TOTAL FEE APPLICATION	\$161,182.71

**SECTION II  
SUMMARY OF SERVICES**

Services Rendered	Hours	Fee
(a) Claims Review & Analysis	3.80	\$1,548.00
(b) Committee Matters	6.90	\$2,311.50
(c) DIP Financing	2.60	\$988.50
(d) Discovery	0.40	\$90.00
(e) Fee Application	0.20	\$45.00
(f) Financing	33.60	\$12,787.00
(g) General	170.60	\$56,521.50
(h) Meetings & Hearings	53.90	\$22,765.00
(i) Motions & Applications	54.90	\$17,314.50
(j) Plan & Disclosure Statement	77.60	\$32,255.00
(k) Pleadings	37.0	\$10,360.00
SERVICES TOTALS	441.50	\$156,986.00

**SECTION III  
SUMMARY OF DISBURSEMENTS**

Disbursements	Amount
(a) Westlaw	\$977.49
(b) PACER	\$233.76
(c) Facsimile No. of Pages: 9 Rate per Page:\$1.00	\$9.00
(d) Long Distance Telephone	\$4.38
(e) Photocopying: No. of Pages: 4,589 Rate per Page: \$.20	\$917.80
(f) Travel Car Service \$225.50 Rail \$474.00 Accommodations \$430.89	\$1,130.39
(g) Postage	\$7.38
(h) Federal Express	\$11.76
(i) Other (explain): Conference Call Service \$370.04 Reimbursable Meals \$534.71	\$904.75
<b>DISBURSEMENT TOTAL</b>	<b>\$4,196.71</b>

<p style="text-align: center;"><b>SECTION IV</b> <b>CASE HISTORY</b></p>
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(NOTE: Items (3) through (6) are not applicable to applications under 11 U.S.C. § 506)

- (1) Date cases filed: March 16, 2008
- (2) Chapter under which cases commenced: Chapter 11
- (3) Date of retention: Order signed April 25, 2008, effective March 31, 2008  
(Annex copy of order(s).) **See Exhibit A.**  
If limit on number of hours or other limitations to retention, set forth: N/A
- (4) Summarize in brief the benefits to the estate and attach supplements as needed:
  - (a) Attended numerous meetings and telephone conferences with Committee members/co-counsel and professionals, Debtors' counsel, Arch Acquisition I, LLC and its counsel, Versa and its counsel, and other parties regarding the cases, the Debtors' motion to obtain post-petition financing and plan of reorganization;
  - (b) Drafted and circulated confidentiality agreement;
  - (c) Worked with co-counsel to draft and/or review and revise and ultimately finalize for filing with the Court motions for entry of orders (i) regarding disclosure of confidential information; and (ii) granting the Committee derivative standing to commence action against the Debtors' officers and directors and others for breach of fiduciary duty;
  - (d) Drafted motions for entry of orders (i) appointing a chapter 11 trustee; and (ii) terminating exclusivity;
  - (e) Reviewed, revised and/or negotiated concerning the Debtors' post-petition financing facilities with Arcus ASI Funding, LLC and Arcus ASI, Inc. (jointly, "Arcus") and Arch Acquisition I, LLC ("Arch");
  - (f) Reviewed the Debtors' initial and amended Disclosure Statements and Plans of Reorganization and numerous objections thereto;
  - (g) Drafted objections to the Debtors' initial and amended Disclosure Statements;
  - (h) Reviewed Arch's proposed plan of reorganization, and financing proposal;
  - (i) Reviewed and worked with co-counsel to prepare and finalize objections to the Debtors' motion for entry of a Final Order authorizing them to obtain post-petition financing from Arcus;

- (j) Conducted legal research in connection with the Debtors' various motions and the Committee's objections;
- (k) Reviewed and worked with co-counsel to finalize motion to quash the subpoena;
- (l) Strategized with co-counsel and reviewed deposition transcripts of Steven Grabell, Vincent Colistra and Paul Halpern in connection with the hearing on the DIP Financing Motion;
- (m) Attended deposition of Sean Ozbalt;
- (n) Prepared for and attended hearings on the Debtors' DIP Financing Motion and adequacy of the Debtors' Disclosure Statement; and
- (o) Drafted numerous memos and updates for the Committee.

**INVOICES ITEMIZING SERVICES RENDERED AND OUT-OF-POCKET EXPENSES INCURRED ARE ATTACHED AS EXHIBITS "B" AND "C", RESPECTIVELY.**

- (5) Anticipated distribution to creditors:
  - (a) Administration expense: Unknown at this time.
  - (b) Secured creditors: Unknown at this time.
  - (c) Priority creditors: Unknown at this time.
  - (d) General unsecured creditors: Unknown at this time.
- (6) Final disposition of cases and percentage of dividend paid to creditors (if applicable): This is a first monthly fee statement. Final dividend percentages are unknown at this time.